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National Bank of Commerce CLINTON GILBERT

## And Fund U. S. Loan With Bonds, View Payment of Obligations Matter of Pride

With English, Says Withers, Deploring Proposal to Cancel All War Financing

Britain Should Remit Debts to Allies

By Hartley Withers Editor The Economist Special Cable to The Tribune

Copyright, 1851, New York Tribune Inc. LONDON, Feb. 13.—It seems strange to entertain it. that J. Austen Chamberlain, Chancel- It is true that America, owing to can pay. lor of the Exchequer, should have made greater confidence in British solvency. Mr. Horne, president of the Board of the statement credited to him at the obliged Great Britain to borrow from Trade, says Germany must not pay in end of last week in regard to the Al- her and lend to other allies; but hav- finished goods, but in food and raw malied debt to America. The proposal ing thus indersed the bill, obviously terials, to be got from supplying counmade by the British government to the only thing worthy of British tra- tries by the sale of German goods. America that all debts among the A!- dition is to pay instead of asking gen- This policy is doubly bad for British lied and associated powers be can-eral cancellation at America's ex-export trade. The result must maincelled evidently is ancient history. It pense.

-and the prospective value of it is sets.

British proposal would be highly ad- 1 Premier Lloyd George says Germany vantageous to Great Britain and very must not pay in cheap goods, or widepleasant to Europe, but it is difficult spread unemployment will result in all

The proposal, which is not creditable ents is difficult and unlikely to do Obviously Germany must send goods to the British government and is very either America or Great Britain much comewhere, either in payment of inregrettable, amounts to a request for good. The obvious policy for Great stallments of the indemnity or in pay-

ficult to collect and of doubtful value ment is evidently anxious about the cation of trade revival, but the best in view of the disorder in European effects of the payment on British in- opinion thinks the end of the depression and industry. Consequently the custry.

to see how one could expect America countries receiving payment. He did not explain how otherwise Germany

is therefore difficult to see why it is The question of recovery of the debt cost of production, and quicken Gernow published so clumsily.

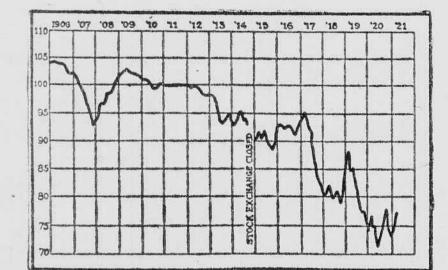
The question of recovery of the debt cost of production, and quicken Gernow published so clumsily.

Great Britain boasts that the claims was open to much criticism until lateon her are absolutely good, whereas her claims against her allies include nearly a surplus for redemption of the debt, 2600,000,000 against Russia, the preasure of which is ristable or redemption of the debt.

British revenue pours in in a highly was an effect, not a cause. ent value of which is virtually nothing treating as revenue the sale of raw as- satisfactors volume, but taxes now be- Conley Tin Foil and Commonwealth righly problematical-while the claims There is much discussion about comes and profits of the past prosperagainst other European allies are dif- making Germany pay, and the governa ous years. There is some slight indi

The Week's Curb Market





### **Bond Prices**

The above chart graphically illustrates, from the year 1905 to the present time, the course of the average price of a number of high grade bonds chosen as representing the trend of investment rates of interest.

Shortly before the lowest point reached in 1920 the prices of basic commodities had started to fall. As the decline in commodity prices continued and other signals of deflation appeared bond prices turned for the better and have since shown, with the reactions usually accompanying an advance, a broad trend toward higher levels.

We have entered a period of greater business and industrial conservatism. The desirability of securities bearing a fixed high rate of interest is becoming more and more obvious. We recommend the purchase of investment bonds at

> We shall be glad to send to investors a copy of our February Investment Bond Circular describing over two hundred issues of investment bonds which we offer with our recommendation. We suggest you ask for Circulas C 11.

> Harris, Forbes & Company Pine Street, Corner William, New York

#### Investment

#### Information

Questions of general interest to investors will be answered in this col-umn, in which case only initials will be used. Others will be answered by be used. Others will be answering a mail. Address all inquiries, inclosing a stamped, addressed ovvelope, to Financial Editor, The Tribune, 154 Nassau Street, New York City.

Suspects Finance Controls Newspapers

regrettable, amounts to a request for the composition of the British debt. Britain to follow is to remit the debts of France, Italy, etc., and then she she asked to have remitted is only true if the face value of the claims is considered. It is quite untrue if the time to recuperate.

Great Britain is owed more than account.

Great Britain is owed more than account.

Great Britain is owed more than account.

Great Britain is owed more than half of that by the ill-considered proposal made by the garment of was open to much criticism until late
America rather more than half of that the claims was open to much criticism until late
The formulation is the debts of France, Italy, etc., and then she meeting them. These goods are bound to increase competition abroad, but the world's consuming power ought to grow rapidly as economic chaos mends, and England wants goods in order to repair her position as a group of those sources should consuming power ought to grow rapidly as economic chaos mends, and England wants goods in order to repair her position as a group of those sources should consuming power ought to grow rapidly as economic chaos mends, and England wants goods in order to repair her position as a group of those sources should consuming power ought to grow rapidly as economic chaos mends, and England wants goods in order to repair her position as a group of those sources should consuming power ought to grow rapidly as economic chaos mends, and England wants goods in order to repair her position as a group of those sources should consuming power ought to grow rapidly as economic chaos mends, and England wants goods in order to repair her position as a group of those sources of information. If one or even a group of those sources should consuming power ought to grow rapidly as economic chaos mends, and England wants goods in order to repair her position as a group of those sources of units of sources of units

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The Masser—You will never get any where in your climb toward financial independence unless you take exceeding the stock of an unproved company, such as the L. R. Steel Corporation 7 per cent, 1923; Canadian Pacific 6 per cent, 1924; the stock of an unproved company, such as the L. R. Steel Corporation, you are shouldering a risk which you cannot afford to take. Besides that, there is no ready market for the stock. Investment bonds and preferred stocks are tractive yields. We marketability are salling and stocks are tractive yields. We marketability are salling and being carried and bei no ready market for the stock. Investment bonds and preferred stocks of ready marketability are selling at attractive yields. We suggest that you confine yourself to this class. Take, for instance, a St. Louis & San Francisco prior lien bonds either the 4 per cent or 5 per cent. A \$1,000 piece will cost \$612.50 or \$730, respectively, and the yield is around 7 per cent.

Worried About Akron Overland Tire

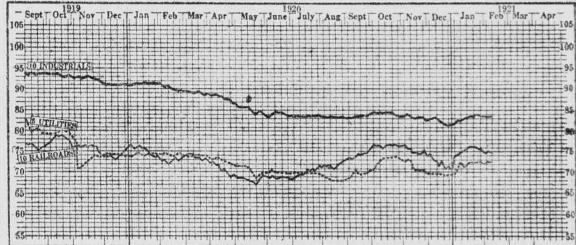
is you about holding or selling them, the Conley Tin Foil Company paid 59 and sents a share last October and passed its January dividend. We do not advise the purchase of the shares for investment.

Chain Store Stock Not Safe Enough

Chain Store S

Four full columns of investment questions and answers are published in The Tribune every Sunday.

### Course of the Bond Market



This graph snows the weekly fluctuations in the average prices of ten railroad, ten industrial and five public utility bonds since September 1, 1919

## \$6,000,000

# United Railways of Havana

Fifteen-Year 71/2% Equipment Trust Gold Certificates

Issued under the Philadelphia Plan

Dated February 15, 1921

Total Authorized \$6,000,000

Due February 15, 1936

In coupon form of \$1,000, with provision for registration of principal. Principal payable at the office of Commercial Trust Company, Philadelphia, Trustee. Dividends payable in New York February 15 and August 15. Redeemable as a whole on any dividend date at 110 and accrued dividends, and in part by lot on any dividend date after February 15, 1931, at 102½ and accrued dividends

Provision is made for retirement of \$200,000 Certificates each six months; by purchase at or below 103 and accrued dividends to February 15, 1931, and thereafter by purchase at or below 1021/2 and accrued dividends or by call at that price

The information given below is contained in a letter from Mr. C. J. Cater Scott, Chairman of the Board of Directors:

Security-These certificates are issued against standard gauge steam railway equipment purchased in the United States at a cash cost of \$10,834,180. The certificates therefore represent only approximately 55% of the cost of the equipment. Title to the equipment remains vested in Commercial Trust Company, Trustee, for the benefit of the certificate holders. The equipment is leased to the United Railways of Havana for rentals sufficient to retire the certificates and to provide for dividends, insurance and all other charges. Equipment costing \$6,250,810 was delivered during 1920, and a further amount, costing \$1,612,988, is still to be delivered. The aggregate cost of these two lots alone is more than 30% in excess of the amount of these certificates. The remainder of the equipment, with total cost of \$2,970.382, was delivered in 1919, 1917, 1916 and late in 1915.

Provisions for Retirement-The semi-annual rentals shall include an amount sufficient to retire \$200,000 certificates as follows: such retirement to be accomplished by purchase of certificates in the market at or below 103 and accrued dividends, if obtainable, and, to the extent that they are not so obtainable, by the purchase of certificates at a higher price, if the company so desires, and any balance of such semiannual rental shall be paid in cash to the Trustee to be used for the retirement of additional certificates, otherwise invested by it in U. S. Government securities maturing not later than February 15, 1936. Up to and including February 15, 1931, certificates cannot be called (except as a whole at 110 and accrued dividends). On any dividend date after February 15, 1931, certificates may be called by lot at 1021/2 and accrued dividends, in sufficient amount to accomplish the semi-annual retirement of \$200,000 certificates. These payments of rental may be made either in certificates or cash; all as provided in the lease and trust

The Company-The United Railways of Havana (formal corporate title, United Railways of the Havana & Regla Warehouses, Ltd.) owns and operates a standard gauge steam railway system of 1190 miles, under perpetual franchises from the Government of Cuba. The original railway, built in 1843, was one of the first constructed in the world.

The company is incorporated under the laws of Great Britain, and is controlled and managed by British

The funded debt of the company, exclusive of these certificates, aggregates £10,741,960 (\$52,205,926). Capital Stock comprises £3,554,262 5% Preferred and £6,556,846 Common with a combined market value on the London Stock, Exchange of approximately £6,584,000 (\$32,000,000). The company has also outstanding £494,756 Deferred Stock on which no dividends are payable until 8% per annum is paid on the Common Stock.

Dividends have been paid in full on the Preferred Stock since issuance, and have been paid at various rates on the Common Stock without interruption since 1908, the present rate being 7% per annum.

Earnings—The following consolidated statement of earnings has been prepared by Messrs. Deloitte, Plender & Griffiths, Certified Accountants, from their audits of the accounts of the companies now consolidated in the United Railways of Havana:

Year Ended June 30
Gross Earnings.
Total Net Income
Fixed Charges
Balance for depreciation,
taxes and dividends. 1920 1919 \$28,557,714 \$23,761,187 10,479,073 8,964,027 2,431,306 2,492,208 1918 \$22,543,543 10,151,518 2,413,412 1917 \$17,362,486 8,650,999 2,380,815 1916 \$15.498,117 8,427,623 2,352,848 7,847,767 8,471,819 7,768,102 6,270,483 6,044,778 4,673,040 3,597,809

Dividends on these \$6,000,000 certificates amount to \$450,000 per annum. The balance after fixed charges, shown above, averaged \$6,096,257 per annum for the seven years.

We offer these certificates when, as and if issued and subject to approval of legality by counsel.

Price 99 and Accrued Dividend. To yield about 75/8%

Dillon, Read & Co.

Formerly

Wm. A. Read & Co.

The information contained in this advertisement has been obtained from sources which we consider reliable. While not guaranteed, it is accepted by us as accepted by us as accepted by